UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

NOBEL SUPPLIES GROUP LLC, **Plaintiff,** **v.** **BIOTEST MEDICAL CORPORATION,** **Defendant.**	**Civil Action No. 17-cv-2158** **COMPLAINT** **ECF CASE**

Plaintiff, Nobel Supplies Group LLC ("Plaintiff" or "Nobel") by and through its undersigned attorneys, for its Complaint against Defendant, Biotest Medical Corporation (hereinafter "Defendant" or "Biotest"), alleges as follows:

NATURE OF ACTION

1. This is an action for declaratory judgment of non-infringement, and for cancellation of Defendant's fraudulently procured SLITouch trademark registration. This case arises under the Lanham Act 15 U.S.C. § 1051, *et seq.* By this action, Nobel seeks a declaration that it has not infringed, and is not infringing, upon the claimed trademark rights of Biotest, as set forth herein. In addition, Nobel also seeks an order cancelling Biotest's fraudulently procured U.S. Trademark Registration.

2. As set forth below, Biotest has fraudulently procured the SLITouch trademark registration based on false statements to the U.S. Trademark Office that it is using the mark on the goods listed in its registration. And, Biotest is now using that fraudulent registration as the basis for filing false complaints of trademark infringement with Amazon.com against products

that are advertised, marketed, promoted, offered for sale and sold by Nobel under the mark SLIGHT TOUCH. These actions by Biotest have caused Amazon.com to remove several of Nobel's listings resulting in significant losses of revenue for Nobel.

JURISDICTION AND VENUE

3. This Court has jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338 with respect to the claims arising under the Lanham Act 15 U.S.C. § 1051, *et seq.* and pursuant to the Declaratory Judgment Act, 28 U.S.C. § 2201, *et seq.*

4. This Court also has diversity jurisdiction over this dispute under 28 U.S.C. §1332(b) since this dispute exceeds $75,000 and is between a citizen of the State of New York, and a citizen of Taiwan, Republic of China.

5. Venue is proper in this district pursuant to 28 U.S.C. § 1391(c)(3) because Biotest is not a resident in the United States and may therefore be sued in any judicial district.

6. Venue is also proper in this district pursuant to 28 U.S.C. § 1391(b)(2) because a substantial part of the events giving rise to the claims that are the subject of this action occurred in this district.

THE PARTIES

7. Nobel is a corporation organized and existing under the laws of the State of New York, with a place of business located at 4111 Fort Hamilton Parkway, Brooklyn, New York 11219.

8. Nobel conducts business in medical supply industry.

9. Nobel sells, advertises, markets and promotes medical supplies which are sold to the public.

10. Upon information and belief, Biotest is a corporation organized and existing under the laws of Taiwan, Republic of China.

11. Upon information and belief, Biotest has a place of business at No. 3-2, 5-2 Jianguo Road, Tanzi District, Taichung City, Taiwan, R.O.C. This address is provided on the United States Patent and Trademark Office website in connection with U.S. Trademark Registration 5013574 for the mark SLITouch.

12. Upon information and belief, Biotest has a place of business at No. 3-2, Chien-kuo Road, TEPZ Tantzu, 427 Taichung, Taiwan, R.O.C. This address is provided on Biotest's website, www.btm-medical.com.

13. Upon information and belief, Biotest is in the business of selling and advertising, portable medical and diagnostic devices for home care users to companies in New York.

14. Since Nobel and Biotest regularly transact business in the State of New York and within this district, jurisdiction in the Eastern District of New York is appropriate for adjudication of the claim(s) brought herein.

FACTUAL BACKGROUND

Biotest's Fraudulent U.S. Trademark Application and Registration for the Mark SLITouch

15. On October 30, 2014, Biotest filed a United States trademark application for the trademark SLITouch. The application was filed on an "intent-to-use" basis under Section 1(b) of the Lanham Act, 15 U.S.C. § 1051(b).

16. Biotest's intent-to-use application for the mark SLITouch was assigned U.S. Application Serial Number 86440371.

17. In the Declaration in support of the application for SLITouch, Biotest represented that it had a bone fide intent to use the mark SLITouch in United States commerce. In this regard, Biotest attested, in relevant part:

> The signatory believes that... applicant is entitled to use the mark in commerce; the applicant has a bona fide intention to use or use through the applicant's related company or licensee the mark in commerce on or in connection with the goods/services in the application….
>
> The signatory being warned that willful false statements and the like are punishable by fine or imprisonment, or both, under 18 U.S.C. Section 1001, and that such willful false statements and the like may jeopardize the validity of the application or any registration resulting therefrom, declares that all statements made of his/her own knowledge are true and all statements made on information and belief are believed to be true.

18. As part of its intent-to-use application for the mark SLITouch, Biotest stated that it had a bona fide intent to use the mark SLITouch in United States commerce in connection with all of the following goods in International Class 010:

> Lancets; lancet devices; blood glucose meters; hematology analyzers for medical diagnostic uses; blood glucose monitors; cytometers for medical diagnostic use; pulse oximeters; electric massage cushions; thermo-electric compresses; electrically activated heating cushions for medical purposes; hearing aids; blood pressure monitors; thermometers for medical purposes; forehead thermometers for medical use; ear thermometers for medical use; continuous positive airway pressure (CPAP) devices; respirators for artificial respiration; oxygen masks for medical use

19. Upon information and belief, Biotest's representations with regard to its bona fide intent to use its mark were false.

20. On February 25, 2015, the United States Patent and Trademark Office issued an Office Action in connection with the application for SLITouch.

21. In response to an Office Action filed on August 11, 2015, Biotest amended the description of goods. The amendment to the description of goods reads as follows:

Lancets; lancet devices, namely, reusable instruments equipped with a lancet used for blood glucose monitoring; blood glucose meters; hematology analyzers for medical diagnostic uses; devices for monitoring blood glucose for medical purposes; cytometers for medical diagnostic use; pulse oximeters; electric massage cushions; thermo-electric compresses; electrically activated heating cushions for medical purposes; hearing aids; blood pressure monitors; thermometers for medical purposes; forehead thermometers for medical use; ear thermometers for medical use; continuous positive airway pressure (CPAP) devices; respirators for artificial respiration; oxygen masks for medical use.

22. The Amendment filed by Biotest did not delete any goods from the application.

23. On December 15, 2015, the United States Patent and Trademark Office issued a Notice of Allowance on the application for SLITouch, which “establishes in the due date for the filing of a Statement of Use (SOU) or Request for Extension of Time to file a Statement of Use (Extension Request).”

24. The Notice of Allowance indicated that “Applicant has six (6) MONTHS from the NOA issue date to file either” a Statement of Use or an Extension Request.

25. The Notice of Allowance also specifically warned Biotest that “[f]raudulent statements may result in registration being cancelled.”

26. In particular, the full warning in the Notice of Allowance reads:

> **Fraudulent statements may result in registration being cancelled**: Applicants must ensure that statements made in filings to the USPTO are accurate, as inaccuracies may result in the cancellation of any issued trademark registration. ***The lack of a bona fide intention to use the mark with ALL goods and/or services listed in an application or the lack of actual use on all goods and/or services for which use is claimed could jeopardize the validity of the registration, possibly resulting in its cancellation.*** (Emphasis added)

27. After receiving the Notice of Allowance, Biotest filed its Statement of Use and a specimen on June 2, 2016.

28. The specimen was described as "mark shown on goods" in the Statement of Use and shows packaging of a product that reads "Btm SLITouch Lancing Device."

29. In connection with the Statement of Use, Biotest expressly alleged that "[t]he mark is in use in commerce on or in connection with **all of the goods/services**…." (Emphasis added).

30. Specifically, in the Declaration submitted as part of the Statement of Use, Biotest attested to the fact that "the applicant is using the mark in commerce on or in connection with all the goods/services in the application."

31. In the Declaration submitted as part of the Statement of Use, the signatory for Biotest also acknowledged the following:

> The signatory being warned that willful false statements and the like are punishable by fine or imprisonment, or both, under 18 U.S.C. §1001, and that such willful false statements and the like may jeopardize the validity of the application or submission or any registration resulting therefrom, declares that all statements made of his/her own knowledge are true and that all statements made on information and belief are believed to be true.

32. Upon information and belief, Biotest's representations that it was using its mark in connection with all of the goods listed in its application was untrue.

33. Based on Biotest's false statements, the United States Patent and Trademark Office issued U.S. Trademark Registration 5013574 to Biotest for the mark SLITouch on August 2, 2016.

Nobel's Use of the SLIGHT TOUCH Trademark

34. Nobel and its predecessor in interest to the SLIGHT TOUCH trademark, New Hope Supply LLC, have been using the SLIGHT TOUCH mark for several years in connection with various types of medical supplies.

35. By Assignment dated February 27, 2017, New Hope Supply LLC assigned its rights to the SLIGHT TOUCH trademark, including the goodwill of the business in connection with which the SLIGHT TOUCH trademark has been used.

36. Nobel's current offerings of SLIGHT TOUCH brand medical products include blood pressure monitors, thermometers, alcohol pads, lancets and lancing devices.

37. Nobel's SLIGHT TOUCH brand medical products are advertised, marketed, promoted, offered for sale and sold online via online retailer Amazon.com as well as brick-and-mortar pharmacies.

38. Upon information and belief, Nobel's use of the SLIGHT TOUCH trademark in United States commerce commenced before that of Biotest.

Biotest Sends a Cease and Desist Letter to Nobel's Counsel Alleging Infringement of the SLITouch Trademark Registration

39. Biotest's purported rights relating to the SLITouch trademark registration were asserted in a letter dated March 6, 2017, addressed to counsel for Nobel ("Cease and Desist Letter"). The Cease and Desist Letter is attached hereto as **Exhibit A**.

40. The heading of the Cease and Desist Letter reads "Infringement of SLITouch Trademark."

41. At the commencement of the Cease and Desist Letter, Biotest claims that it is a manufacturer of SLITouch brand products that are sold in the United States.

42. The Cease and Desist Letter further states that "use of the Slight Touch trademark in commerce is illegal, including because it infringes [Biotest's] registered trademark for SLITouch®."

43. In the Cease and Desist Letter, Biotest also demanded that New Hope Supply LLC, the predecessor in interest to Nobel with respect to the pending trademark application for SLIGHT TOUCH and its rights to the SLIGHT TOUCH mark, "immediately Cease and Desist using the Slight Touch brand in commerce in the United States…."

44. At the conclusion of the Cease and Desist Letter, Biotest made a number of additional demands, including, "3. CEASE AND DESIST offering to sell and selling products identified as Slight Touch, in the United States; 4. CEASE AND DESIST using the Slight Touch trademark in in the United States."

45. In addition to the claim of trademark infringement asserted in the Cease and Desist Letter, Biotest also filed complaints with Amazon.com. Notice was received by Nobel pertaining to these complaints to Amazon.com ("Amazon Notice").

46. The Amazon Notice lists the email address of Richard Margiano, counsel for Biotest as the contact to resolve this dispute.

47. Based on the complaints filed by and on behalf of Biotest, Amazon has interrupted sales of several products advertised, offered for sale and sold by Nobel on Amazon.com.

48. Based on the complaints filed by and on behalf of Biotest, Nobel's listings have suffered significant losses in rankings as well.

49. By virtue of the claim of infringement asserted by Biotest of the SLITouch mark as well as the damages being caused to Nobel by virtue of the improper allegations of

infringement, Nobel is compelled to seek a declaration from this Court that it does not infringe Biotest's trademark rights and/or that Biotest's asserted rights are invalid and/or unenforceable.

50. Nobel also seeks a declaration cancelling the asserted SLITouch trademark registration based upon Biotest's false and intentionally deceptive statements made to the United States Patent and Trademark Office in procuring the registration.

COUNT I
DECLARATION OF INVALIDITY, UNENFORCEABILITY AND/OR NON- INFRINGEMENT UNDER THE LANHAM ACT

51. Nobel repeats and realleges each of the preceding allegations contained in as if set forth in full herein.

52. An actual controversy has arisen and now exists between Nobel and Biotest concerning whether Nobel has infringed and is infringing the SLITouch mark.

53. Nobel has advertised, marketed, offered for sale and sold the products alleged by Biotest to have infringed its rights in the mark SLITouch.

54. Nobel believes and alleges that its products, advertisements and marketing and promotional materials do not infringe upon any valid rights of Biotest, specifically, its rights in the mark SLITouch.

55. Nobel alleges that Biotest's purported trademark rights are invalid and/or unenforceable.

56. By virtue of the foregoing, Nobel desires a judicial determination of the parties' rights and duties with respect to the trademark rights asserted by Biotest.

57. A judicial declaration is necessary and appropriate at this time so that the parties may proceed in accordance with their respective rights as determined by the Court.

COUNT II
Cancellation of U.S. Trademark Registration No. 5013574
(15 U.S.C. § 1119)

58. Plaintiffs repeat and reallege each of the preceding allegations as if set forth in full herein.

59. This claim for cancellation of Biotest's registration of the trademark SLITouch, U.S. Trademark Registration No. 5013574, arises under 15 U.S.C. § 1119 of the Lanham Act, which states that the court may, *inter alia*, "order the cancelation of registrations…and otherwise rectify the register with respect to the registrations of any party to the action."

60. Upon information and belief, the content of the Statement of Use submitted by Biotest demonstrates that Biotest falsely represented to the United States Patent and Trademark Office that it was using the mark SLITouch on all of the goods listed in its trademark application.

61. Upon information and belief, the false Statement of Use by Biotest was made despite the actual warnings received by Biotest prior to its filing of the Statement of Use that stated that "the lack of a bona fide intention to use the mark with ALL goods and/or services listed in an application or the lack of actual use on all goods and/or services for which use is claimed could jeopardize the validity of the registration, possibly resulting in its cancellation."

62. Upon information and belief, the false Statement of Use was material to the registrability of the mark since the United States Patent and Trademark Office would not have registered the mark SLITouch had it known that Biotest was not using the mark in U.S. commerce in connection with all of the goods listed in its application for registration.

63. Upon information and belief, at the time that it filed its Statement of Use, Biotest had actual knowledge of the falsity of the representation made to United States Patent and

Trademark Office, as well as intent to deceive the United States Patent and Trademark Office to secure a trademark registration. This is evidenced, in part, by the Products listing page on the Biotest website, located at http://www.btm-medical.com/en/product.php.

64. Even though Biotest's Statement of Use was filed nearly a year ago on June 2, 2016 wherein Biotest attested to the fact that the mark SLITouch was in use in U.S. commerce in connection with all of the goods listed in the application, the sole reference to the mark SLITouch on the Products listing page of the Biotest website is in connection with lancets, which are identified as "SLITouch Lancets 30G."

65. Accordingly, upon information and belief, the sole demonstrations of use of the SLITouch mark in U.S. commerce by Biotest is, at best, in connection with lancets and lancing devices.

66. Upon information and belief, none of the other goods listed in the registration for SLITouch are shown on the Biotest Products listing page under the mark SLITouch. For example, even though Biotest lists six different "blood glucose meters" on its Products listing page, none are advertised or sold under the mark SLITouch. By the same token, even though Biotest also displays several different thermometers and lancet devices on its Products listing page, none are advertised or sold under the mark SLITouch. Moreover, the large number of products listed in the goods description of the SLITouch, many of which do not even appear to be sold at all by Biotest, demonstrate actual knowledge of the falsity of its statement, as well as an intent to deceive the United States Patent and Trademark Office.

67. U.S. Customs records which are publicly available further demonstrate the lack of use of the mark SLITouch by Biotest on all of the goods listed in the SLITouch U.S. trademark

registration. Attached hereto as **Exhibit B** are importation records involving Biotest. None of the goods listed in these records evidence use of the SLITouch in U.S. commerce.

68. Upon information and believe, Biotest can offer no explanation for why it made false statements in the face of warnings issued by the United States Patent and Trademark Office.

69. Nobel has been and continues to be damaged and harmed by Biotest's continued registration of the mark SLITouch.

70. In view of the foregoing, registration was improvidently allowed by the United States Patent and Trademark Office and should be cancelled by this Court.

WHEREFORE, Nobel prays for a judgment against Biotest as follows:

A. For judgment declaring that Biotest's trademark rights are invalid, void, unenforceable and/or not infringed by the product(s) sold by Nobel;

C. Cancellation of U.S. Trademark Registration 5013574 for SLITouch;

D. Awarding Plaintiffs costs, expenses and reasonable attorneys' fees as permitted by law; and

D. Awarding Plaintiffs such other and further relief as the as the Court may deem just and proper.

JURY DEMAND

Nobel demands a trial by jury.

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